

MAR 20 1953

ORGANIZATION AND METHODS SERVICE

SURVEY REPORT

SUBJECT: Transfer of Audit Functions from Transportation Division to Finance Division.

1. **PROBLEM.** To transfer audit functions improperly assigned to Transportation Division to the Finance Division and to develop efficient procedures for performing related functions not transferred.
2. **FACTS BEARING ON THE PROBLEM.**
 - a. The decision to transfer these audit functions was reached at a meeting attended by the Deputy Comptroller, Auditor-in-Chief, and representatives of the Finance Division, Transportation Division, and O&M Service.
 - b. Where possible and when not in violation of security regulations, audit functions should be performed by the Finance Division. (See Section 3c below)
3. **DISCUSSION.**
 - a. Following the meeting mentioned in 2a above, a meeting was held to discuss the transfer of functions. The Transportation Division, Finance Division, and Organization and Methods Service were represented at this meeting. It was decided that beginning immediately all expense vouchers would by-pass the Transportation Division and be processed in the Finance Division. The past procedure for this operation, as performed by the Transportation Division, is shown in Tab A.
 - b. It was further decided to add needed information such as allotment numbers, etc., to incoming cargo bills as an interim procedure and to forward them to the Finance Division for final audit and payment. During this interim period a procedure has been developed to furnish this information to Finance in a more efficient manner so that such bills could be audited by the Finance Division. A memorandum from Transportation Division to Finance Division on this subject along with the past and proposed procedures and forms are included in Tab B.
 - c. A procedure to facilitate the handling of unused passenger tickets submitted to carriers for refund was developed. Due to the use of several pseudonyms the responsibility for signing these requests

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had to remain with the Transportation Division. The past and proposed procedures and forms are covered in Tab C.

- d. Upon request of the Finance Division a procedure was developed to notify them of tickets obtained by the Transportation Division and to assist in the accounting for the cash fund. These past and proposed procedures and forms are included in Tab D. This procedure will transfer the passenger ticket audit function to the Finance Division.

4. CONCLUSIONS.

- a. The audit functions can better be performed in the Finance Division.
- b. Based on Confidential Fund Regulations certain approving functions must remain in the Transportation Division.
- c. The responsibility for signing requests for passenger ticket refunds should remain in the Transportation Division.

5. ACTION TAKEN.

- a. The handling of individual travel vouchers has been transferred to the Finance Division.
- b. The audit functions for bills pertaining to the shipment of household goods, personal effects, equipment, and supplies have been transferred to the Finance Division.
- c. The procedure for accounting for the cash fund has been greatly simplified.

6. ACTION RECOMMENDED.

- a. That the procedures and forms presented in Tabs B, C, and D be approved and immediately installed.
- b. That the actions taken as listed in Section 5 be approved.

4 Enclosures
Tabs A, B, C, and D.

Concurrences:

Chief, O&M Service

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